

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re: FTX TRADING LTD., <i>et al.</i> , ¹ Debtors.	Chapter 11 Case No. 22-11068 (JTD) (Jointly Administered)
LAYERZERO LABS LTD., ARI LITAN, and SKIP & GOOSE LLC, Appellants, v. FTX TRADING LTD., <i>et al.</i> , Appellees.	Civil Action No. 24-cv-01180-CFC Appeal from the Bankruptcy Court

**APPELLANTS' STATEMENT OF THE ISSUES ON APPEAL AND
DESIGNATION OF ITEMS TO BE INCLUDED IN THE RECORD ON APPEAL**

Pursuant to Rule 8009 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), as supplemented by Rule 8009-1 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware, Appellants LayerZero Labs Ltd. (“LayerZero”), Ari Litan, and Skip & Goose LLC (“Skip & Goose,” and collectively with LayerZero and Ari Litan, the “LayerZero Group” or “Appellants”), by and through undersigned counsel, hereby respectfully submit the following statement of issues and designation of the items to be included in the record in connection with Appellants’ appeal of the *Findings of Fact, Conclusions of Law and Order Confirming the Second Amended Joint Chapter 11 Plan of*

¹ The last four digits of FTX Trading Ltd.’s and Alameda Research LLC’s tax identification numbers are 3288 and 4063 respectively. Due to the large number of debtor entities in these Chapter 11 Cases, a complete list of the Debtors and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the Debtors’ claims and noticing agent at <https://cases.ra.kroll.com/FTX>. The principal place of business of Debtor Emergent Fidelity Technologies Ltd is Unit 3B, Bryson’s Commercial Complex, Friars Hill Road, St. John’s, Antigua Barbuda.

Reorganization of FTX Trading Ltd. and its Debtor Affiliates [Docket No. 26404] (the “Confirmation Order”).

I. STATEMENT OF ISSUES TO BE PRESENTED ON APPEAL²

The Appellants hereby state the following as issues on appeal pursuant to Bankruptcy Rule 8009(a)(1)(A):

1. Whether the United States Bankruptcy Court for the District of Delaware (Dorsey, J.) (the “Bankruptcy Court”) erred in finding that the Plan did not violate section 1123(a)(4) of the Bankruptcy Code where the majority of creditors within classes 5A and 5B were offered a release of Customer Preference Actions against them in exchange for a vote in favor of the Plan and acceptance of the amount of their claim at the exclusion of the minority?

2. Whether the Bankruptcy Court erred in finding that the Plan complies with all applicable provisions of the Bankruptcy Code as required by section 1129(a)(1) of the Bankruptcy Code, including sections 1122 and 1123 thereof, where the majority of creditors within classes 5A and 5B were offered a release of Customer Preference Actions against them in exchange for a vote in favor of the Plan and acceptance of the amount of their claim?

3. Whether the Bankruptcy Court erred in finding that the Customer Preference Settlement does not implicate claim treatment when it was embedded in Section 5.5 of the Plan and solicited as part of the voting process?

4. Whether the Bankruptcy Court erred in finding that the Plan was proposed in good faith and not in violation of section 1129(a)(3) of the Bankruptcy Code when the Plan fails to allow certain minority creditors to participate in the Customer Preference Settlement at the Debtors’ arbitrary determination?

² Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to them in the Confirmation Order.

5. Whether the Bankruptcy Court erred in finding that the Debtors properly designated Ari Litan and Skip & Goose as part of an Excluded Customer Preference Action under Section 5.5 of the Plan, when the only Cause of Action asserted against them by the Debtors is a Customer Preference Action and Debtors presented no evidence of other possible causes of action against them?

6. Whether the Bankruptcy Court erred in finding that the Plan Supplement, including the members listed on the Excluded Customer Preference Actions List in Exhibit 5 of the Plan Supplement, complies with the terms of the Plan, in particular where Debtors failed to present any evidence of the general or specific process by which any person (including Appellants) was listed on the Excluded Customer Preference Actions List?

7. Whether the Bankruptcy Court erred in finding that section 502(d) allows the LayerZero Group's claims to be deemed a Disputed Claim without a judicial determination?

II. DESIGNATION OF ITEMS TO BE INCLUDED IN THE RECORD

Appellants submit the following designation of items to be included in the record on appeal (including any exhibit, annex, or addendum thereto):

Docket Entries and Other Items			
<u>Item No.</u>	<u>Bankr. D.I.³</u>	<u>Date Filed</u>	<u>Description</u>
1.	2457	09/08/23	<i>Complaint for Avoidance and Recovery of Transfers Pursuant to 11 U.S.C. §§ 105, 544, 547, 548 and 550, Del. Code Ann. Tit. 6, §§ 1304 and 1305, and for Disallowance of Claims Pursuant to 11 U.S.C. § 502</i>
2.	16818	06/05/24	<i>Objection of LayerZero Labs Ltd., Ari Litan, and Skip & Goose LLC to (A) Motion of Debtors for Entry of an Order (I) Approving the Adequacy of the Disclosure Statement; (II) Approving Solicitation Packages; (III) Approving the Forms of</i>

³ Items designated include all of exhibits, attachments, and submissions attached thereto.

			<i>Ballots; (IV) Establishing Voting, Solicitation and Tabulation Procedures; and (V) Establishing Notice and Objection Procedures for the Confirmation of the Plan, and (B) Disclosure Statement for Debtors' Joint Chapter 11 Plan of Reorganization of FTX Trading Ltd. and its Affiliated Debtors and Debtors-In-Possession</i>
3.	19143	06/27/24	<i>Disclosure Statement for Debtors' Joint Chapter 11 Plan of Reorganization of FTX Trading Ltd. and its Affiliated Debtors and Debtors-in-Possession</i>
4.	22163	08/02/24	<i>Notice of Filing of Plan Supplement</i>
5.	23158	08/16/24	<i>Objection of LayerZero Labs Ltd., Ari Litan, and Skip & Goose LLC to Confirmation of the First Amended Joint Chapter 11 Plan of Reorganization of FTX Trading Ltd. and its Debtor Affiliates</i>
6.	23161	08/16/24	<i>Motion of LayerZero Labs Ltd., Ari Litan, and Skip & Goose LLC to Extend the Voting and Preference Election Deadline Set Forth in Confirmation Scheduling Order</i>
7.	23450	08/21/24	<i>Motion for Entry of an Order Authorizing the Filing of Declaration of Jordan E. Sazant in Support of the Objection of LayerZero Labs Ltd., Ari Litan, and Skip & Goose LLC to Confirmation of the First Amended Joint Chapter 11 Plan of Reorganization of FTX Trading Ltd. and its Debtor Affiliates Under Seal</i>
8.	23454	08/21/24	<i>Declaration of Jordan E. Sazant in Support of the Objection of LayerZero Labs Ltd., Ari Litan, and Skip & Goose LLC to Confirmation of the First Amended Joint Chapter 11 Plan of Reorganization of FTX Trading Ltd. and its Debtor Affiliates</i>
9.	24314	09/06/24	<i>Order Authorizing the Filing of Declaration of Jordan E. Sazant in Support of the Objection of LayerZero Labs Ltd., Ari Litan, and Skip & Goose LLC to Confirmation of the First Amended Joint Chapter 11 Plan of Reorganization of FTX Trading Ltd. and its Debtor Affiliates Under Seal</i>
10.	24501	09/10/24	<i>Notice of Service of Notice of Deposition of John J. Ray III</i>

11.	25637	09/23/24	<i>Motion of Debtors for Entry of an Order Quashing the LayerZero Parties' Notice of Deposition of John J. Ray III</i>
12.	25638	09/23/24	<i>Declaration of Brian D. Glueckstein in Support of Motion of Debtors for Entry of an Order Quashing the LayerZero Parties' Notice of Deposition of John J. Ray III</i>
13.	25671	09/25/24	<i>LayerZero Group's Opposition to FTX Trading's Motion for Entry of an Order Quashing the Notice of Deposition of John J. Ray III</i>
14.	26046	09/30/24	<i>Debtors' Reply in Support of the Motion of Debtors for Entry of an Order Quashing the LayerZero Parties' Notice of Deposition of John J. Ray III</i>
15.	26029	09/30/24	<i>Second Amended Joint Chapter 11 Plan of Reorganization of FTX Trading Ltd. and its Debtor Affiliates</i>
16.	26035	09/30/24	<i>Debtors' Memorandum of Law in Support of Confirmation of the Second Amended Joint Chapter 11 Plan of Reorganization of FTX Trading Ltd. and its Debtor Affiliates</i>
17.	26039	09/30/24	<i>Debtors' Omnibus Reply to Objections to Confirmation of the Second Amended Joint Plan of Reorganization of FTX Trading Ltd. and its Debtor Affiliates</i>
18.	26041	09/30/24	<i>Declaration of Steven P. Coverick in Support of Confirmation of the Second Amended Joint Chapter 11 Plan of Reorganization of FTX Trading Ltd. and its Debtor Affiliates</i>
19.	26044	09/30/24	<i>Declaration of Edgar W. Mosley II in Support of Confirmation of the Second Amended Joint Chapter 11 Plan of Reorganization of FTX Trading Ltd. and its Debtor Affiliates</i>
20.	26045	09/30/24	<i>Declaration of James Daloia of Kroll Restructuring Administration LLC Regarding the Solicitation of Votes and Tabulation of Ballots Cast on the Joint Chapter 11 Plan of Reorganization of FTX Trading Ltd. and its Debtor Affiliates</i>

21.	26047	09/30/24	<i>Debtors' Motion for Leave to File Reply to LayerZero Group's Opposition to FTX Trading's Motion for Entry of an Order Quashing the Notice of Deposition of John J. Ray III</i>
22.	26061	10/01/24	<i>Notice of Debtors' Exhibit List and Intent to Offer Witness Testimony at the Hearing on October 7, 2024 Regarding Confirmation of the Second Amended Joint Chapter 11 Plan of Reorganization of FTX Trading Ltd. and its Debtor Affiliates</i>
23.	26130	10/01/24	<i>Order Granting Debtors' Motion for Leave to File Reply to LayerZero Group's Opposition to FTX Trading's Motion for Entry of an Order Quashing the Notice of Deposition of John J. Ray III</i>
24.	26229	10/03/24	<i>Transcript regarding Hearing Held 10/03/24 RE: Motion to Quash</i>
25.	26404	10/08/24	<i>Findings of Fact, Conclusions of Law and Order Confirming the Second Amended Joint Chapter 11 Plan of Reorganization of FTX Trading Ltd. and its Debtor Affiliates</i>
26.	26412	10/08/24	<i>Transcript regarding Hearing Held 10/07/24 RE: Confirmation Hearing</i>
27.	27034	10/21/24	<i>Notice of Appeal</i>
28.	27155	10/22/24	<i>Transmittal of Record on Appeal to District Court, Civil Action No. 24-1175-CFC, BAP Number: BAP 24-63</i>

III. RESERVATION OF RIGHTS

Appellants expressly reserve, and do not waive, the right to amend, supplement, or otherwise modify the foregoing designations, to adopt the designation of any items designated or counter-designated by any other appellant, cross-appellant, appellee, or cross-appellee to this appeal, and/or to object to or move to strike the items designated or counter-designated for inclusion in the record on appeal by any such other parties. This filing is made expressly subject to, and without waiver of any and all rights, remedies, challenges, and objections.

CERTIFICATION PURSUANT TO BANKRUPTCY RULE 8009(b)

In an appeal from a bankruptcy court ruling, Bankruptcy Rule 8009(b) requires an appellant to either: (i) order from the court reporter a transcript of such parts of the proceedings not already on file as the appellant considers necessary for the appeal and file a copy of the order with the bankruptcy clerk; or (ii) file a certificate with the bankruptcy clerk stating that the appellant is not ordering a transcript. Pursuant to Bankruptcy Rule 8009(b), Appellants respectfully certify to the Clerk of Court that they are not ordering a transcript not already included in the record on appeal.

Dated: November 4, 2024
Wilmington, Delaware

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